

INSURANCE DIVISION[191]

Adopted and Filed

Pursuant to the authority of Iowa Code chapters 511 and 521A, the Insurance Division hereby amends Chapter 93, “Conduit Derivative Transactions,” Iowa Administrative Code.

The rules in Chapter 93 provide for quarterly reports to the Insurance Commissioner of a conduit’s derivative transaction activities to enable the Insurance Division to monitor the conduit’s obligations to the insurers in the conduit’s holding company system. This amendment allows the Insurance Commissioner to exempt a conduit from subrule 93.6(3) if the conduit’s obligations to the insurers in its holding company system are unconditionally guaranteed by a “qualified counterparty” as defined in rule 191—93.2(511,521A), which, in this context, essentially means an investment grade business entity. Such a guarantee can obviate the need for monitoring since the obligations of the conduit are certain to be met. The Division intends that Iowa insurance companies and insurance holding companies will comply with the amendment beginning September 30, 2009.

Notice of Intended Action was published in the Iowa Administrative Bulletin on July 1, 2009, as **ARC 7914B**. Comments regarding this new subrule were to be received during the comment period and at the public hearing on July 21, 2009. No public comment was received, and this amendment is identical to the one published under Notice of Intended Action.

This amendment is intended to implement Iowa Code chapters 511 and 521A.

This amendment will become effective September 30, 2009.

The following amendment is adopted.

Adopt the following new subrule 93.6(3):

93.6(3) Exemptions from reporting requirements. Upon application, a conduit may be exempted by the insurance commissioner from the reporting requirements of this rule if all of the conduit’s obligations arising out of the conduit’s derivative transaction activities are unconditionally guaranteed by a qualified counterparty.

[Filed 8/5/09, effective 9/30/09]

[Published 8/26/09]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 8/26/09.